FILE COPY

FILED
AUG 12 1949
CHARLES ELMORE CROPLEY
CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1949.

No. 253

EUREKA WILLIAMS CORPORATION,
Petitioner,

vs.

SYNCROMATIC CORPORATION,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT, AND BRIEF IN SUPPORT THEREOF.

WARREN C. HORTON,
Counsel for Petitioner.

E. J. BALLUFF,
Of Counsel.

THE BUNTHORP-WARREN PRINTING COMPANY, 310 WEST JACKSON, CHICAGO

INDEX.

PAGE

Petition for Writ of Certiorari 1
Summary Statement of the Matter Involved 1
The Statutes Involved 5
The Questions Presented 6
Reasons Relied on for Allowance of the Writ 7
Prayer 9
Brief in Support of Petition for Writ of Certiorari .. 11
Opinion of the Court Below 11
Jurisdiction 11
Statement of the Case 12
Issues Involved 12
Argument 13
Conclusion 19

List of Authorities.

Avrick, et al. v. Rockmont Envelope Co., 155 F. 2d 568 (C. A. 10) 7
Barbasol Co. v. Jacobs, 160 F. 2d 336 15
Hemmeter Cigar Co. v. Congress Cigar Co., 118 F. 2d 64 (C. A. 6) 18
LaTouraine Coffee Co. v. Lorraine Coffee Co., 157 F. 2d 115 (C. A. 2) 7
McLean v. Fleming, 96 U. S. 245 ..... 8, 14, 18
Northam Warren Corp. v. Universal Cosmetic Co., 18 F. 2d 774 ..... 8, 16
Saxlehner v. Eisner & Mendelson, 179 U. S. 19 14
Saxlehner v. Siegel-Cooper Co., 179 U. S. 42 ..... 8, 15, 18
Title 15 U. S. C. 1114 ..... 5, 6, 7, 15
Title 15 U. S. C. 1127 ..... 5, 13, 15
Title 28 U. S. C. 1254 11
Title 28 U. S. C. 1338a 11
Weiner v. National Tinsel Mfg. Co., 123 F. 2d 96 ..... 8, 17
Williams v. Bliss, 54 F. 2d 430 17

IN THE

Supreme Court of the United States

OCTOBER TERM, 1949.

No. .....

EUREKA WILLIAMS CORPORATION,
Petitioner,

vs.

SYNCROMATIC CORPORATION,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT, AND BRIEF IN SUPPORT THEREOF.

The petition of Eureka Williams Corporation respectfully shows to this Court:

SUMMARY STATEMENT OF THE MATTER INVOLVED.

Petitioner, Eureka Williams Corporation, is a corporation of Michigan, which resulted from the merger in 1945 of Eureka Vacuum Cleaner Company, a Michigan Corporation, and Williams Oil-O-Matic Heating Corporation, a corportion of Illinois.

The business of petitioner's Williams Oil-O-Matic Division is principally the manufacture and sale of oil burners and furnaces, which was commenced by petitioner's predecessor in 1920.

Petitioner is the owner of the trade-mark OIL-O-MATIC for oil burners and furnaces, which trade-mark was coined by petitioner's predecessor and has been used continuously in its business in connection with such products since 1920. The trade-mark is registered in the United States Patent Office, registrations Nos. 199,644 (R. 219), 222,211 (R. 220), 239,830 (R. 221), 262,277 (R. 222), and 304,965 (R. 223).

The trade-mark OIL-O-MATIC for oil burners and furnaces has been very widely advertised by petitioner, and it has come to mean oil burners and furnaces of high quality everywhere in the United States and throughout the world.

Petitioner and its predecessors have spent nearly $5,000,000 in advertising the trade-mark (R. 174), using newspaper, magazine, radio, and other advertising media. More than 1725 dealers (R. 174) have been trained by petioner and have established businesses dealing in petitioner's OIL-O-MATIC products.

The trade-mark OIL-O-MATIC has been built up at great effort and great expense by petitioner and its predecessors over a long period of years, and the trade-mark OIL-O-MATIC is one of the best known nationally advertised trademarks now in use. Petitioner and its predecessors have sold oil burner and furnace products under said trade-mark in a total volume of more than $60,000,000, the retail value of which has been more than triple that amount (R. 123).

The respondent, Syncromatic Corporation, a Wisconsin corporation, started in business in 1931 as Air Conditioning Equipment Corporation. For a number of years it made and sold air conditioning equipment. In 1934 it changed

its name to Syncromatic Air Conditioning Equipment Corporation, continuing the sale of air conditioning equipment, and in 1943 it again changed its name to Syncromatic Corporation.

In 1940, respondent, over the opposition of petitioner, registered the trade-mark "Syncromatic" for *air conditioning apparatus.*

Respondent changed its business from the manufacture of air conditioning equipment to the manufacture of furnaces, and in 1946 respondent first manufactured oil burner equipment, to which it applied the trade-mark "Syncromatic." This use by defendant of "Syncromatic" upon oil burners and furnaces is charged to infringe petitioner's trade-mark OIL-O-MATIC for those specific goods.

Respondent, Syncromatic Corporation, has never conducted any national advertising, and has no dealer organization whatsoever.

Prior to respondent's manufacture and sale of oil burner equipment in 1946, its total business, except for war years, including war contract work, had never exceeded an annual volume of $60,000.

Prior to its adoption of "Syncromatic" as a trade-mark for oil burners, in direct competition with petitioner's oil burners sold under the trade-mark OIL-O-MATIC, there had been no efforts or expense by respondent to establish any public recognition of its trade-mark "Syncromatic" for such products.

This action was tried in the District Court for the Southern District of Illinois, Southern Division, and the District Court held at the conclusion of the trial that there was not sufficient similarity between the marks "Syncromatic" and OIL-O-MATIC so that a person *looking at* the words would be confused, and the Court held that infringement had not been established.

On appeal, the decision of the District Court was affirmed, the Court of Appeals holding that the respective trade-marks were, as a whole, clearly and easily distinguishable, and stating that

> "Infringement of a trade-mark consists in the unauthorized use or colorable imitation of it upon substituted goods of the same class as those for which the mark has been appropriated. The essence of the wrong consists in the sale of the goods of one manufacturer and dealer as and for those of another by means of such trade-mark. It is only when this false representation is directly or impliedly made that relief will be granted."

The Court affirmed the judgment of the District Court and a petition for rehearing thereon was denied July 2, 1949.

THE STATUTES INVOLVED.

This action was filed on November 28, 1947, at which time the Trade-Mark Act of 1946, known as the Lanham Act, was in force. Section 32 of this Act (Title 15, Sec. 1114), in its pertinent provisions reads as follows:

> "Any person who shall, in commerce, (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services; * * * shall be liable to a civil action by the registrant for any or all of the remedies hereinafter provided (in this chapter) * * *."

Section 45 of the Act, (Title 15 U. S. C. Sec. 1127) in its pertinent portion reads as follows:

> "The term 'colorable imitation' includes any mark which so resembles a registered mark as to be likely to cause confusion or mistake or to deceive purchasers. * * *
>
> "The term 'registered mark' means a mark registered in the United States Patent Office under this Act or under the * * * Act of February 20, 1905 * * *."
>
> "A 'counterfeit' is a spurious mark which is identical with, or substantially indistinguishable from, a registered mark. * * *"

THE QUESTIONS PRESENTED.

The questions sought to be herein presented, are:

1. In determining the question of infringement of a registered trade-mark, is not the Court bound, by Section 32(1) of the Trade-Mark Act of July 5, 1946 (Title 15 U. S. C. Sec. 1114), to grant relief if the accused trade-mark is so similar to the registered trade-mark as to be likely to cause confusion or mistake, or to deceive purchasers as to the source of origin of the goods?

2. In view of the statute, is it not error in an action for infringement of a registered trade-mark, to hold that the essence of the action consists in the sale of the goods of one manufacturer for those of another by means of the trade-mark, and to rule that it is only when such a false representation is directly or impliedly made that relief will be granted?

3. Is not the trade-mark "Syncromatic" so similar to, and such a colorable imitation of, OIL-O-MATIC, when applied to the same goods, as to be likely to cause confusion or mistake, or to deceive purchasers as to the source of origin of the goods, and therefore to subject the respondent to appropriate relief as provided by the statute (Title 15 U. S. C. Sec. 1114)?

REASONS RELIED ON FOR ALLOWANCE OF THE WRIT.

The reasons why the writ of certiorari prayed for should be allowed, are:

1. The trade-mark Act of 1946 (Title 15 U. S. C. Sec. 1114) specifically provides that a person shall be liable for appropriate remedies in a civil action if he uses a trade-mark which is so similar to, or such a colorable imitation of, a registered mark that it is likely to cause confusion or mistake, or to deceive purchasers as to the source of origin of such goods. The Court of Appeals for the Seventh Circuit in this case went beyond the requirement of the statute, and stated that in trade-mark infringement actions the essence of the wrong consists in the sale of the goods of one manufacturer or dealer as and for those of another by means of such trade-mark, and the Court held that it is only when such a false representation is directly or impliedly made that relief will be granted.

2. The Supreme Court of the United States has never interpreted the language of Section 32(1) of the Trade-Mark Act of 1946 (15 U. S. C. 1114), and the Court in the Seventh and other Circuits are in hopeless confusion as to the test of infringement to be applied, as is evidenced by the numerous inconsistent decisions relative to infringement in trade-mark actions. (Cf. *Latouraine Coffee Co.* v. *Lorraine Coffee Co.*, 157 F. 2d 115 (C. A. 2); *Avrick, et al.* v. *Rockmont Envelope Co.*, 155 F. 2d 568 (C. C. A. 10).) It is extremely important to industry and to a uniform interpretation of the new Trade-Mark Act that the Supreme Court pronounce a test of infringement which will resolve this confusion.

3. The Supreme Court of the United States has not, in any opinion since 1900, laid down any rules for testing the likelihood of confusion between trade-marks, and its decisions asserted in the cases of *McLean* v. *Fleming*, 96 U. S. 245, and *Saxlehner* v. *Siegel-Cooper Co.*, 179 U. S. 42, have not for many years been applied with uniformity by the various Circuit Courts of Appeal.

4. The trade-mark charged to infringe herein so closely simulates petitioner's registered trade-mark as to use all except the first three letters thereof. Yet the Court of Appeals in this case held that

> "To the ear and sight they are entirely different."

This same Court, in other cases, has held that such trade-marks as "Print-Ad-String" and "Tye-Ad-String" (*Weiner* v. *National Tinsel Mfg. Co.*, 123 F. 2d 96) and "Cutex" and "Cuticlean" (*Northam-Warren Corp.* v. *Universal Cosmetic Co.*, 18 F. 2d 774) were confusingly similar when applied to the same goods. It is therefore obvious that the test of trade-mark infringement applied in the Seventh Circuit has been confused and nonuniform.

5. The result of the decision in the present case is to deny any protection under the trade-mark statutes against the use of a *confusingly* similar trade-mark, unless that trade-mark be substantially identical with the trade-mark OIL-O-MATIC, in appearance, sound, and general significance. Under the statute, such substantial identity is the test of a "counterfeit" or "spurious" trade-mark, and not the test of a "colorable imitation" or infringing trade-mark. The Court of Appeals, therefore, in effect limits the protection of the statute to relief only against "counterfeit" or "spurious" marks.

PRAYER.

Wherefore, your petitioner respectfully prays that a writ of certiorori may be issued out of and under the seal of this Honorable Court, directed to the United States Court of Appeals for the Seventh Circuit, commanding that Court to certify and transmit to this Court for its review and determination, a full and complete transcript of the record and proceedings in the cause numbered and entitled on its docket No. 9741, Syncromatic Corporation *vs.* Eureka Williams Corporation; and that the judgment of the said Court of Appeals for the Seventh Circuit may be reversed, and that your petitioner may have such other and further relief in the premises as to this Honorable Court may seem meet and just.

EUREKA WILLIAMS CORPORATION,
WARREN C. HORTON,
Counsel for Petitioner.

E. J. BALLUFF,
Of Counsel.

BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

OPINION OF THE COURT BELOW.

The opinion of the Court of Appeals for the Seventh Circuit is reported in 174 F. 2d 649, and is printed in the record at pages 229 to 232, inclusive.

JURISDICTION.

1. The statute under which jurisdiction is invoked is Judicial Code, Chapter 81, as approved June 25, 1948, (Title 28 U. S. C. 1254).

2. This is a proceeding in a case arising under the trade-mark laws of the United States, in which the United States Courts have exclusive jurisdiction (28 U. S. C. 1338a).

3. The date of the judgment of the Court of Appeals to be reviewed, is May 16, 1949, petition for rehearing of which was denied July 2, 1949 (R. 233).

STATEMENT OF THE CASE.

This is an application for a writ of certiorari to the United States Court of Appeals for the Seventh Circuit, to review a judgment holding that the registered trademark OIL-O-MATIC is not infringed by the mark "Syncromatic". The material facts and the questions involved are set forth in the foregoing petition.

ISSUES INVOLVED.

The issues involved are set forth in the foregoing petition, and are, in brief, that the United States Court of Appeals for the Seventh Circuit failed to interpret the provisions of the Trade-Mark Act of 1946 as they apply to infringement cases, and applied a test of infringement which was contrary to the provisions of such statutes, and contrary to the decisions of this Court on like issues.

ARGUMENT.

1. The Trade-Mark Act of 1946 specifically provides in section 32 that any person who uses a trade-mark so similar to, or such a colorable imitation of, a registered mark as to be likely to cause confusion or mistake, or to deceive purchasers as to the source of origin of such goods, shall be liable in a civil action to the usual remedies of injunction and damages as are provided under the trade-mark laws.

The Trade-Mark Act of 1946 in Section 45 (15 U. S. C. 1127) specifically defines certain of the terms used in the Act. It defines a colorable imitation of a trade-mark as

> "any mark which so resembles a registered mark as to be likely to cause confusion or mistake or to deceive purchasers".

It defines a counterfeit or spurious trade-mark as one

> "which is identical with, or substantially indistinguishable from, a registered mark".

It is clear, therefore, from the language of the statute that a mark which is similar to a registered trade-mark, or which is a colorable imitation of a registered trade-mark, and therefore an infringement thereof need not be so substantially indistinguishable from or identical with a registered mark as is that class of unlawful trade-marks defined as counterfeit or spurious.

Yet in this case, the Court of Appeals for the Seventh Circuit, although giving lip service to the words "colorable imitation," actually limited the question of infringement to such a narrow ground that District Courts which follow strictly the opinion in this case cannot find infringement

of a registered trade-mark by any imitation thereof which is less than that defined by the act as a counterfeit mark.

The registered trade-mark OIL-O-MATIC is charged in this case to be infringed by the mark "Syncromatic" when applied to identical goods, *i. e.*, oil burners. The Court of Appeals held that "to the ear and sight" these marks "are entirely different". Yet the fact is that the mark "Syncromatic" uses each and every letter of the registered trade-mark except the first three letters. If a change of those three letters makes the marks "entirely different", certainly confusing similarity amounting to infringement could not be present short of exact identity.

This decision by the Court not only narrows the protection of the Trade-Mark Act to actual counterfeiting of a trade-mark, but ignores the early decision of this Court in the trade-mark case of *McLean* v. *Fleming,* 96 U. S. 245, 253, wherein the Court said:

> "* * * it is safe to declare, as a general rule, that exact similitude is not required to constitute an infringement or to entitle the complaining party to protection."

The decision of the Court of Appeals in this regard is also contrary to the decision of this Court in *Saxlehner* v. *Eisner & Mendelson,* 179 U. S. 19, wherein the Court said:

> "It is not necessary to constitute an infringement that every word of a trade-mark should be appropriated. It is sufficient that enough be taken to deceive the public in the purchase of a protected article."

In deciding this case, the Court of Appeals laid down a principle to be applied in trade-mark infringement cases, which is quite contrary in general effect to the provisions of the trade-mark statute. Thus, the Court of Appeals said:

> "Infringement of trade-mark consists in the unauthorized use or colorable imitation of it upon sub-

> stituted goods of the same class as those for which the mark has been appropriated. The essence of the wrong consists in the sale of the goods of one manufacturer to dealer as and for those of another by means of such trade-mark. It is only when this false representation is directly or impliedly made that relief will be granted."

It has been established in numerous decisions that actual confusion or "passing off" of goods need not be established by proof to sustain a charge of trade-mark infringement. It is *likelihood* of confusion only which need be shown. That very principle was earlier asserted by the Circuit Court of Appeals for the Seventh Circuit in *Barbasol Co.* v. *Jacobs,* 160 F. 2d 336, and it is now specifically a provision of the trade-mark statute. The Trade-Mark Act of 1946 in section 32 (15 U. S. C. 1114) provides for liability if the infringing mark is "*likely* to cause confusion or mistake", and in section 45 of the Act (15 U. S. C. 1127) the term "colorable imitation" is again similarly defined as one which "so resembles a registered mark as to be *likely* to cause confusion or mistake". It cannot, therefore, be true that the essence of the wrong of trade-mark infringement consists in the sale of the goods of one manufacturer for those of another, as the Court of Appeals held in this case.

Nor can the rule applied by the Court that the trade-mark infringement must amount to a "false representation" stand logically with the rule that wrongful intent, wilfulness, or fraud on the part of the newcomer is not a necessary element, but that on the contrary complete innocence is no defense to trade-mark infringement charges. As this Court stated in *Saxlehner* v. *Siegel-Cooper Co.,* 179 U. S. 42:

> "The fact that the Siegel-Cooper Company acted innocently does not exonerate it from the charge of infringement."

Sale of the goods of one manufacturer for those of another cannot be established unless instances of actual confusion are shown; yet that is not necessary under the statute. There can be no false representation, direct or implied, if proof of innocence is made; yet that would not exonerate one from infringement, as this Court has held. The principle, therefore, upon which the Court of Appeals' opinion in this case was based, is entirely erroneous.

The Court of Appeals for the Seventh Circuit, in complete agreement with earlier decisions of this Court and of other Circuit Courts of Appeal, expressed in *Northam-Warren Corporation* v. *Universal Cosmetic Co.*, 18 F. 2d 174, the fundamental test of trade-mark infringement, saying:

> "Whether there is an infringement of a trade-mark does not depend upon the use of identical words, nor on the question as to whether they are so similar that a person looking at one would be deceived into the belief that it was the other; but it is sufficient if one adopts a trade name or a trade-mark so like another in form, spelling or sound, that one with a not very definite or clear recollection as to the real trade-mark is likely to become confused or misled."

In the present case, however, the Court of Appeals for the Seventh Circuit departed from that fundamental test, and contrary to universal practice dissected the registered trade-mark OIL-O-MATIC and the accused trade-mark "Syncromatic" to point out such minute differences as the absence of hyphens in the latter mark, and the difference in the first syllable of the latter mark as compared with the first syllable of the registered mark. Such differences in appearance, and such minute differences in sound, are only apparent when the marks are placed side by side and carefully examined. Yet in applying its previously stated test of infringement, the Court of Appeals for the

Seventh Circuit found infringement between the marks "Cutex" and "Cuticlean", in which the only similarity was the first three letters. Likewise, the same Court applied the same rule in the case of *Weiner* v. *National Tinsel Mfg. Co.*, 123 F. 2d 96, wherein it found that the trade-marks "Print-Ad-String" and "Tye-Ad-String" were confusingly similar.

Certainly the similarities between the marks in the present case are as great as in the cited cases, and the differences between the marks here involved are not of any greater significance. Yet the Court of Appeals in this case states that the marks "Syncromatic" and OIL-O-MATIC are "entirely different".

It is obvious that the Court of Appeals for the Seventh Circuit is confused in its application of the law of trade-mark infringement, and does not arrive at uniform results which can be depended upon by the public, by industry or by the legal profession in advising clients. The lower Courts are led to even greater confusion when confronted with such conflicting opinions, and as a result throw out any standard and adopt such individual and wholly unsatisfactory tests as whether the particular Judge, with both marks before him, believes that he would or would not be confused thereby. That was precisely the test which the District Court applied in this case.

That such a test is not even approximately correct is evidenced by the fact that in this very case the Court of Appeals, in the solitude of its chambers, apparently could not distinguish between the mark OIL-O-MATIC and the mark "Airomatic", which was involved in a previous proceeding between these parties, reported at 109 F. 2d 748, and could not distinguish between the mark "Theromatic" and the mark "Thermatic", which was involved in the case of *Williams* v. *Bliss*, 54 F. 2d 430.

The Supreme Court has not yet interpreted the language of Section 32 of the Trade-Mark Act of 1946 (15 U. S. C. 1114), nor has it laid down any rules for testing the likelihood of confusion between trade-marks since its early decisions in *McLean* v. *Fleming*, 96 U. S. 245, and *Saxlehner* v. *Siegel-Cooper Co.*, 179 U. S. 42. As a result, Circuit Courts of Appeal (Cf. *Hemmeter Cigar Co.* v. *Congress Cigar Co.*, 118 F. 2d 64 C. A. 6) like the Seventh Circuit in this case, have arrived at confusing and inconsistent decisions which have led to even greater confusion in the District Courts. The United States Patent Office and the United States Court of Customs and Patent Appeals have, without any sure standard, reached such repeatedly inconsistent decisions in determining questions of confusing similarity between trade-marks, that it is completely unpredictable as to what their decisions may be in any given case.

In the opinion of the Court of Appeals for the Seventh Circuit in this case, the Court set up as examples of marks which had some similarities, but which it said were entirely lacking in confusion, the marks "White Man" and "Red Man". Yet the Court of Customs and Patent Appeals in 107 F. 2d 583, expressly held that "Red Horse" and "White Horse" were confusingly similar, and stated that the likelihood of confusion

"is so apparent as to require no discussion".

It is obvious, from such diametrically opposite opinions, that a test of likelihood of confusion which can be uniformly followed by the lower Courts, should be established by this Court.

Conclusion.

It is respectfully submitted that the present petition presents important questions relating to interpretation of the Trade-Mark Act of 1946, and presents a question as to whether it is worth while to make great efforts to advertise and build up a valuable trade-mark if the protection to be afforded thereto under the trade-mark laws is to be so narrow that any newcomer who wishes to ride upon the good will of the pioneer need only make minute and colorable changes in the registered trade-mark to avoid infringement.

It is respectfully submitted that the petition should be granted to the end that the present confusion relative to trade-mark infringement be resolved.

Respectfully,

WARREN C. HORTON,
Counsel for Petitioner.

E. J. BALLUFF,
Of Counsel.